

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE JACKSON COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	
AUTHORITY TO BORROW FROM THE NATIONAL RURAL)	
UTILITIES COOPERATIVE FINANCE CORPORATION)	CASE NO. 90-394
(CFC) AND TO EXECUTE ITS MORTGAGE NOTE OR A)	
SERIES OF MORTGAGE NOTES TO SECURE THE SAME)	
AND FOR A CERTIFICATE OF CONVENIENCE AND)	
NECESSITY)	

INTERIM ORDER

Jackson County Rural Electric Cooperative Corporation ("Jackson County") filed its application on January 7, 1991 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$2,548,454 from the National Rural Utilities Cooperative Corporation ("CFC"), and to execute its notes to secure such loan.

In support of its application, Jackson County filed its 1990-1992 Work Plan, which describes in detail the improvements and additions to plant that are required over the next 2 years to service its load. These improvements and additions are estimated to cost \$11,565,880 and will be financed by a \$5,768,000 loan

from the Rural Electrification Administration ("REA") and a \$2,548,454¹ loan from CFC. A total of \$3,325,880 will be financed by Jackson County internally generated funds.

Jackson County seeks authorization to construct extensions and additions to its plant as follows:

1. System Improvements	\$5,424,960
2. New Service Extensions	4,702,600
3. Increased Service Capacity to Existing Consumers	896,940
4. Security Lights	230,580
5. Pole Replacement	<u>310,800</u>
TOTAL	\$11,565,880

The proposed construction will enable Jackson County to continue to provide adequate and dependable service to its customers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Jackson County has advised the Commission that REA and CFC have yet to issue final authorization for the proposed loans. Therefore, the Commission will defer ruling on the proposed borrowing from CFC. Jackson County should notify the Commission

¹ The amount borrowed from CFC includes the purchase of capital term certificates, in an amount equal to 3 percent of the total CFC loan. CFC requires its borrowers to purchase these certifi-cates.

when it has received the requisite final loan approvals from REA and CFC. Its request for authorization to borrow from CFC will be considered at that time.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that public convenience and necessity require the construction by Jackson County of the improvements and additions to its existing plant as described in its 1990-1992 Work Plan.

IT IS THEREFORE ORDERED that:

1. Jackson County be and it hereby is granted a Certificate of Public Convenience and Necessity to proceed with the construction and additions as set forth in its 1990-1992 Work Plan.

2. Jackson County's application for authorization to borrow \$2,548,454 from CFC and to execute notes to secure such loan is continued generally.

3. Within 10 days of its receipt of final loan approval, Jackson County shall notify the Commission in writing of the final loan approvals received from REA and CFC.

Done at Frankfort, Kentucky, this 6th day of March, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director